

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
ABN AMBRO MORTGAGE GROUP, INC.,

Plaintiff,

-against-

NATIONAL SETTLEMENT AGENCY, INC.,
STEVEN M. LEFF, RACHEL M. LEFF and
RICHARD A. LEFF,

Defendants.

Case No. 07 CIV 7657 (LTS)

ANSWER

Defendant, Rachel M. Leff (hereinafter referred to as “Defendant”), by and through his attorneys, Lawrence F. Morrison, responds to Plaintiff’s Amended Complaint against him as follows:

Preliminary Statement

1. Defendant denies the allegations contained in paragraph “1” of the Plaintiff’s Amended Complaint and respectfully refers all questions of law to the court for judicial determination.

Parties

2. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “2” of the Plaintiff’s Amended Complaint.

3. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained paragraph “3” of the Plaintiff’s Amended Complaint.

4. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained paragraph “4” of the Plaintiff’s Amended Complaint.

5. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “5” of the Plaintiff’s Amended Complaint.

6. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “6” of the Plaintiff’s Amended Complaint.

Jurisdiction and Venue

7. The Defendant denies the allegations contained in paragraph “7” of the Plaintiff’s Amended Complaint and respectfully refers all questions of law to the court for judicial determination.

8. The Defendant denies the allegations contained in paragraph “8” of the Plaintiff’s Amended Complaint and respectfully refers all questions of law to the court for judicial determination.

Factual Allegations

9. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “9” of the Plaintiff’s Amended Complaint.

10. The Defendant denies he was AAMG’s closing agent and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “10” of the Plaintiff’s Amended Complaint.

11. The Defendant denies the allegations contained in paragraph “11” of the Plaintiff’s Amended Complaint and respectfully refers all questions of law to the court for judicial determination.

12. The Defendant denies the allegations contained in paragraph “12” of the Plaintiff’s Amended Complaint.

13. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “13” of the Plaintiff’s Amended Complaint.

14. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “14” of the Plaintiff’s Amended Complaint.

15. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “15” of the Plaintiff’s Amended Complaint.

16. The Defendant denies the allegations contained in paragraph “16” of the Plaintiff’s Amended Complaint.

17. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “17” of the Plaintiff’s Amended Complaint.

18. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “18” of the Plaintiff’s Amended Complaint.

19. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “19” of the Plaintiff’s Amended Complaint.

20. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “20” of the Plaintiff’s Amended Complaint.

21. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “21” of the Plaintiff’s Amended Complaint.

22. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “22” of the Plaintiff’s Amended Complaint.

1. The Kramer Mortgage (Loan No. 655368628)

23. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “23” of the Plaintiff’s Amended Complaint.

24. The Defendant denies the allegations contained in paragraph “24” of the Plaintiff’s Amended Complaint.

25. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “25” of the Plaintiff’s Amended Complaint.

26. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “26” of the Plaintiff’s Amended Complaint.

27. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “27” of the Plaintiff’s Amended Complaint.

28. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “28” of the Plaintiff’s Amended Complaint.

29. The Defendant denies the allegations contained in paragraph “29” of the Plaintiff’s Amended Complaint.

2. The Nelson Mortgage (Loan No. 656243674)

30. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “30” of the Plaintiff’s Amended Complaint.

31. The Defendant denies the allegations contained in paragraph “31” of the Plaintiff’s Amended Complaint.

32. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “32” of the Plaintiff’s Amended Complaint.

33. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “33” of the Plaintiff’s Amended Complaint.

34. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “34” of the Plaintiff’s Amended Complaint.

35. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “35” of the Plaintiff’s Amended Complaint.

36. The Defendant denies the allegations contained in paragraph “36” of the Plaintiff’s Amended Complaint.

3. The Alcantara Mortgages (Loan Nos. 656123577 and 656203609)

37. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “37” of the Plaintiff’s Amended Complaint.

38. The Defendant denies the allegations contained in paragraph “38” of the Plaintiff’s Amended Complaint.

39. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “39” of the Plaintiff’s Amended Complaint.

40. The Defendant denies receiving any instructions from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “40” of the Plaintiff’s Amended Complaint.

41. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “41” of the Plaintiff’s Amended Complaint.

42. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “42” of the Plaintiff’s Amended Complaint.

43. The Defendant denies the allegations contained in paragraph “43” of the Plaintiff’s Amended Complaint.

4. The Carnevali Mortgage (Loan No. 6563122144)

44. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “44” of the Plaintiff’s Amended Complaint.

45. The Defendant denies the allegations contained in paragraph “45” of the Plaintiff’s Amended Complaint.

46. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “46” of the Plaintiff’s Amended Complaint.

47. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “47” of the Plaintiff’s Amended Complaint.

48. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “48” of the Plaintiff’s Amended Complaint.

49. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “49” of the Plaintiff’s Amended Complaint.

50. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “50” of the Plaintiff’s Amended Complaint.

51. The Defendant denies the allegations contained in paragraph “51” of the Plaintiff’s Amended Complaint.

5. The Schnatter Mortgage (Loan No. 656550325)

52. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “52” of the Plaintiff’s Amended Complaint.

53. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “53” of the Plaintiff’s Amended Complaint.

54. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “54” of the Plaintiff’s Amended Complaint.

55. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “55” of the Plaintiff’s Amended Complaint.

56. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “56” of the Plaintiff’s Amended Complaint.

57. The Defendant denies the allegations contained in paragraph “57” of the Plaintiff’s Amended Complaint.

6. The DeCarlo Mortgage (Loan No. 656597616)

58. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “58” of the Plaintiff’s Amended Complaint.

59. The Defendant denies the allegations contained in paragraph “59” of the Plaintiff’s Amended Complaint.

60. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “60” of the Plaintiff’s Amended Complaint.

61. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “61” of the Plaintiff’s Amended Complaint.

62. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “62” of the Plaintiff’s Amended Complaint.

63. The Defendant denies the allegations contained in paragraph “63” of the Plaintiff’s Amended Complaint.

64. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “64” of the Plaintiff’s Amended Complaint.

65. The Defendant denies receiving any instruction from Plaintiff and denies knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph “65” of the Plaintiff’s Amended Complaint.

FIRST PURPORTED CLAIM FOR RELIEF
(Breach of Contract – Against NSA)

66. The Defendant repeats, reiterates and realleges each and every response to the allegation in the allegation in the Plaintiff's Amended Complaint, as if each were set forth herein.

67. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph "67" of the Plaintiff's Amended Complaint.

68. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph "68" of the Plaintiff's Amended Complaint.

69. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraphs "69" and "70" of the Plaintiff's Amended Complaint.

SECOND PURPORTED CLAIM FOR RELIEF
(Conversion)

70. The Defendant repeats, reiterates and realleges each and every response to the allegation in the allegation in the Plaintiff's Amended Complaint, as if each were set forth herein.

71. The Defendant denies the allegations contained in paragraph "72" of the Plaintiff's Amended Complaint.

72. The Defendant denies the allegations contained in paragraph "73" of the Plaintiff's Amended Complaint.

73. The Defendant denies the allegations contained in paragraph "74" of the Plaintiff's Amended Complaint and respectfully refers all questions of law to the Court for judicial determination.

74. The Defendant denies the allegations contained in paragraph "75" of the Plaintiff's Amended Complaint.

THIRD PURPORTED CLAIM FOR RELIEF
(Fraud)

75. The Defendant repeats, reiterates and realleges each and every response to the allegation in the allegation in the Plaintiff's Amended Complaint, as if each were set forth herein.

76. The Defendant denies the allegations contained in paragraph "77" of the Plaintiff's Amended Complaint.

77. The Defendant denies the allegations contained in paragraph "78" of the Plaintiff's Amended Complaint.

78. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph "79" of the Plaintiff's Amended Complaint.

79. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph "80" of the Plaintiff's Amended Complaint.

80. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph "81" of the Plaintiff's Amended Complaint.

81. The Defendant denies the allegations contained in paragraph "82" of the Plaintiff's Amended Complaint.

82. The Defendant denies the allegations contained in paragraph "83" of the Plaintiff's Amended Complaint.

FOURTH PURPORTED CLAIM FOR RELIEF
(Breach of Fiduciary Duty)

83. The Defendant repeats, reiterates and realleges each and every response to the allegation in the allegation in the Plaintiff's Amended Complaint, as if each were set forth herein.

84. The Defendant denies the allegations contained in paragraph “85” of the Plaintiff’s Amended Complaint and respectfully refers all questions of law to the Court for judicial determination.

85. The Defendant denies the allegations contained in paragraph “86” of the Plaintiff’s Amended Complaint.

86. The Defendant denies the allegations contained in paragraph “87” of the Plaintiff’s Amended Complaint.

87. The Defendant denies the allegations contained in paragraph “88” of the Plaintiff’s Amended Complaint.

88. The Defendant denies the allegations contained in paragraph “89” of the Plaintiff’s Amended Complaint.

89. The Defendant denies the allegations contained in paragraph “90” of the Plaintiff’s Amended Complaint.

FIFTH PURPORTED CLAIM FOR RELIEF
(Negligence)

90. The Defendant repeats, reiterates and realleges each and every response to the allegation in the allegation in the Plaintiff’s Amended Complaint, as if each were set forth herein.

91. The Defendant denies the allegations contained in paragraph “92” of the Plaintiff’s Amended Complaint and respectfully refers all questions of law to the Court for judicial determination.

92. The Defendant denies the allegations contained in paragraph “93” of the Plaintiff’s Amended Complaint.

93. The Defendant denies the allegations contained in paragraph “94” of the Plaintiff’s Amended Complaint.

SIXTH PURPORTED CLAIM FOR RELIEF
(Professional Negligence against Richard A. Leff)

94. The Defendant repeats, reiterates and realleges each and every response to the allegation in the allegation in the Plaintiff’s Amended Complaint, as if each were set forth herein.

95. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “96” of the Plaintiff’s Amended Complaint.

96. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “97” of the Plaintiff’s Amended Complaint.

97. The Defendant denies knowledge or information sufficient to form a belief as to the allegations contained in in paragraph “98” of the Plaintiff’s Amended Complaint.

SEVENTH PURPORTED CLAIM FOR RELIEF
(Unjust Enrichment)

98. The Defendant repeats, reiterates and realleges each and every response to the allegation in the allegation in the Plaintiff’s Amended Complaint, as if each were set forth herein.

99. The Defendant denies the allegations contained in paragraph “100” of the Plaintiff’s Amended Complaint.

100. The Defendant denies the allegations contained in paragraph “101” of the Plaintiff’s Amended Complaint.

101. The Defendant denies the allegations contained in paragraph “102” of the Plaintiff’s Amended Complaint.

102. The Defendant denies the allegations contained in paragraph “103” of the Plaintiff’s Amended Complaint.

EIGHTH PURPORTED CLAIM FOR RELIEF
(Money Had and Received Against all Defendants)

103. The Defendant repeats, reiterates and realleges each and every response to the allegation in the allegation in the Plaintiff’s Amended Complaint, as if each were set forth herein.

104. The Defendant denies the allegations contained in paragraph “105” of the Plaintiff’s Amended Complaint.

105. The Defendant denies the allegations contained in paragraph “106” of the Plaintiff’s Amended Complaint.

106. The Defendant denies the allegations contained in paragraph “107” of the Plaintiff’s Amended Complaint.

107. The Defendant denies the allegations contained in paragraph “108” of the Plaintiff’s Amended Complaint.

108. The Defendant denies the allegations contained in paragraph “109” of the Plaintiff’s Amended Complaint.

AFFIRMATIVE DEFENSES

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

Plaintiff’s Amended Complaint fails to state a cause of action for which relief may be granted against the Defendant and should be dismissed.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE

Any damages to the Plaintiff are the result of the acts or omissions of third persons or entities over which the Defendant exercised no direction or control.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE

Plaintiff's purported breach of contract claim must be dismissed pursuant to the Statute of Frauds.

AS AND FOR A FOURTH AFFIRMATIVE DEFENSE

The Defendant was not the proximate cause of the Plaintiff's alleged damages.

AS AND FOR A FIFTH AFFIRMATIVE DEFENSE

Plaintiff's Amended Complaint fails to comport with Rule 9(b) and should be dismissed.

AS AND FOR A SIXTH AFFIRMATIVE DEFENSE

The Plaintiff's Amended Complaint fails to establish actionable damages resulting from the Defendant's alleged acts/omissions.

WHEREFORE, Defendant Rachel Leff hereby demands judgment dismissing the Plaintiff's Amended Complaint in its entirety, together with the costs and disbursements of this action, including attorneys' fees and for such other, further and different result as this court may deem just and proper.

Dated: New York, New York
October 3 , 2007

LAW OFFICES OF LAWRENCE F. MORRISON

By: Lawrence F. Morrison LM7568
Lawrence F. Morrison
220 E. 72nd Street, 25th Floor
New York, New York 10021
(212) 861-1224

Attorney for Defendant Rachel Leff

To: Kaufman Borgeest & Ryan LLP
Attorneys for Defendant Richard A. Leff
99 Park Avenue, 19th Floor
New York, NY 10016
(212) 980-9600

Cahill Gordon & Reindel LLP
Attorneys for Plaintiff
80 Pine Street
New York, NY 10005
(212) 701-3000

Michael L. Soshick, Esq.
Attorney for Steven M. Leff
190 Willis Avenue, Suite 112
Mineola, NY 11501
(516) 294-1111